

CLEARLAKE SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION NO. OB-2013-10

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF CLEARLAKE REDEVELOPMENT AGENCY APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN IN COMPLIANCE WITH HEALTH AND SAFETY CODE SECTION 34191.5 (b) and (c)

WHEREAS, on January 12, 2012, the Clearlake City Council adopted Resolution No. 2012-02 electing to become the Successor Agency to the Clearlake Redevelopment Agency ("Successor Agency") pursuant to AB 1X 26 (The Redevelopment Agency Dissolution Act), and pursuant to Health and Safety Code section 34173(g), the Successor Agency is now a separate legal entity from the City; and

WHEREAS, an Oversight Board has been appointed in accordance with the provisions of AB 1X 26; and

WHEREAS, pursuant to the provisions of AB 1X 26 and AB 1484, the State Department of Finance has issued a Finding of Completion as of April 26, 2013 under Health & Safety Code Sections 34179.6 (d) (e) and 34183.5; and

WHEREAS, the Successor Agency is required to submit a Long-Range Property Management Plan per HSC section 34191.5 (b) within six months of the Finding of Completion; and

WHEREAS, on October 10, 2013 the Successor Agency adopted Resolution SA-2013-01 adopting a Long-Range Property Management Plan; and

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Clearlake Successor Agency to the Clearlake Redevelopment Agency, as follows:

1. The Oversight Board hereby approves the Long-Range Property Management Plan as approved by the Successor Agency, attached hereto and incorporated herein as "Exhibit A", and finds that it complies with HSC section 34191.5 (b) and (c).
2. The staff is authorized to submit the adopted Long-Range Property Management Plan to the State Department of Finance for review and approval as required under Health & Safety Code Section 34191.5 (c) and take all such actions as are necessary to secure final approval by the State Department of Finance.

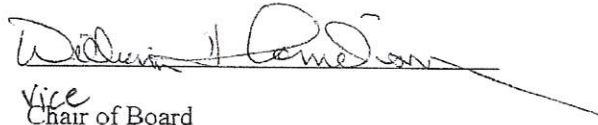
ADOPTED THIS 16th day of October 2013 by the Oversight Board by the following vote:

Ayes: **Vice Chair Cornelison, Members Smith, Sapeta, Phillipe and Perkins**

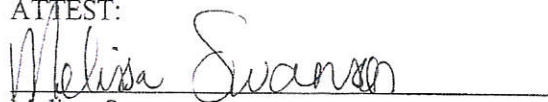
Noes: **None**

Absent: **Member Savarese**

Abstain: **Chair Luiz**


Vice
Chair of Board

ATTEST:


Melissa Swanson
City Clerk/Clerk of the Oversight Board

CLEARLAKE SUCCESSOR AGENCY

RESOLUTION NO. SA-2013-01

A RESOLUTION OF THE CLEARLAKE SUCCESSOR AGENCY AS SUCCESSOR TO THE CITY OF CLEARLAKE REDEVELOPMENT AGENCY APPROVING THE LONG RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, on January 12, 2012, the Clearlake City Council adopted Resolution No. 2012-02 electing to become the Successor Agency to the Clearlake Redevelopment Agency ("Successor Agency") pursuant to AB 1X 26 (The Redevelopment Agency Dissolution Act), and pursuant to Health and Safety Code section 34173(g), the Successor Agency is now a separate legal entity from the City; and

WHEREAS, pursuant to the provisions of AB 1X 26 and AB 1484, the State Department of Finance has issued a Finding of Completion as of April 26, 2013 under Health & Safety Code Sections 34179.6 (d) (e) and 34183.5; and

WHEREAS, the Successor Agency is required to submit a Long-Range Property Management Plan per HSC section 34191.5 (b) within six months of the Finding of Completion; and

WHEREAS, Fraser and Associates was selected through an Request for Proposal process as a qualified firm to develop a Long-Range Property Management Plan; and

WHEREAS, Fraser and Associates worked with staff to develop the final draft and staff recommends the final draft be considered and approved by the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED by the Clearlake Successor Agency to the Clearlake Redevelopment Agency, as follows:

1. The Successor Agency hereby approves the Long-Range Property Management Plan as attached hereto and incorporated herein as "Exhibit A"
2. The staff is authorized to submit the adopted Long-Range Property Management Plan to the Oversight Board for review and approval and to the State Department of Finance for approval as required under Health & Safety Code Section 34191.5 (b) and take all such actions as are necessary to secure final approval by the State Department of Finance.


PASSED AND ADOPTED THIS 10th day of October 2013 by the Successor Agency Board by the following vote:

Ayes: Chair Overton, Vice Chair Loustalot, Members Luiz, Fortino Dickson, and Spittler

Noes: None


Absent: None

Abstain: None



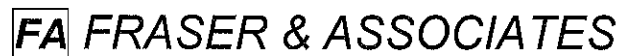
Joyce Overton
Chair

ATTEST:



Melissa Swanson
City Clerk/Clerk of the Successor Agency





Redevelopment and Financial Consulting

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Long Range Property Management Plan

Successor Agency to the Clearlake Redevelopment Agency

Highlands Park Community Development Project

October 2013

I. BACKGROUND

Pursuant to Health and Safety Code sections 34177(e) and 34181(a) a Successor Agency is required to dispose of all assets and properties of a former redevelopment agency that were funded by tax increment revenues of the subject dissolved redevelopment Agency. This document is intended to address Section 34191.4(a) and 34191.5 (a) of Assembly Bill 1484 (AB 1484) and related requirements for preparation of a Long Range Property Management Plan ("Plan") related to the real property assets of the former Redevelopment Agency of the City of Clearlake ("Former Agency"), which have been transferred to the Clearlake Successor Agency ("Agency or Successor Agency"). The Plan identifies existing Agency real property assets (e.g. land, buildings, etc.) and sets forth a strategy for the appropriate retention and disposition of such assets in accordance with the provisions of AB 1484, including recommended actions to be undertaken by the Clearlake Oversight Board to position the subject assets for disposition in a logical and systematic manner so as to enhance the disposition value of the subject assets.

II. SUMMARY OF PROPOSED REAL PROPERTY ASSET RETENTION AND DISPOSITION ACTIONS

This Long Range Property Management Plan (Plan) sets forth a proposed strategy and plan for retention and disposition of certain identified Agency-owned real property assets within the City of Clearlake, California.

A. Retention of Real Property for Government Use

The properties listed in Table 1 below have previously been transferred to the City of Clearlake ("City") because such properties, which were originally acquired by the Agency, have been continually dedicated for public use. The transfer of the properties listed below to the City has already been approved by the State Department of Finance

(DOF). It should be noted that while Property No's 3 through 7 have been approved by DOF as Government Use future development activity in the area may warrant that some or all the property be sold to a private developer for commercial uses. If this should occur, the City corporate yard will either need to be relocated or consolidated onto one or more of existing parcels. The property would then be sold at fair market value and the Agency would reach a compensation agreement under which the sale proceeds would be distributed to the applicable taxing entities in accordance with the provisions of AB 26 and 1484 upon approval by the Oversight Board.

Table 1 – Properties to be Retained for Government Use – Approved			
Property No.	APN	Address	Existing Use
1	039-530-210	14050 Olympic Drive	City Hall - Police Station
2	042-052-190	6393 James St.	Drainage Improvements for Surrounding Area
3	010-043-360	6828 Old Hwy 53	City Corporation Yard - Fire Station Storage
4	010-043-380	6820 Old Hwy 53	City Corporation Yard - Fire Station Storage
5	010-043-390	6820 Old Hwy 53	City Corporation Yard - Fire Station Storage
6	042-121-250	6356 Armijo	City Corporation Yard - Fire Station Storage
7	042-122-260	6377 Armijo	City Corporation Yard - Fire Station Storage

The proposed disposition plan objective maintains the transfer of the real property assets listed in Table 2 (Property No's 8, 9, and 10 below) to the City of Clearlake for continued dedicated governmental use.

Property No's 8 and 9 are adjacent to the Corporation Yard (Property No's 3-7 in Table 1) but are not currently used by the Corporation Yard, but should be retained for the future proposed improved road circulation Caltrans connector route from Highway 53 to Old Highway 53.

Property No 10 was purchased with the intent to expand a public lake front park, provide for improved public access to the lake and provide renovation of the existing illegal, non-conforming single family residence into a visitor center and

public bathrooms with funding already set aside at the time of purchase by Lake County Board of Supervisors for the project. Proposed plans were under way as the City and County have an agreement to provide funding for the property rehabilitation and the Chamber of Commerce will lease the building and operate the planned Visitor Center. In addition, the plan was to expand the existing abutting Highlands Park into a larger park thereby providing not only an enhanced view to the lake and provide additional active park space in the city and to specifically enhance economic development which is a priority goal of both the 1980 General Plan as well as the updated version (anticipated for public review in October 2013). These plans also comply with the State adopted AB 857 three state planning priorities, which are Community Revitalization Planning, Natural Resource Planning and Efficient Development Planning. These plans to expand the public park and renovate the existing non-conforming residence were delayed specifically due to the redevelopment dissolution process.

Table 2 – Properties to be Retained for Government Use – Proposed Government Use			
Property No.	APN	Address	Existing Use / Proposed Government Use
8	042-123-110	6439 Vallejo Avenue	Vacant Parcel / Improved Road Circulation proposed Caltrans Connector Route to Old Hwy 53
9	042-123-310	6459 Vallejo Avenue	Vacant Parcel / Improved Road Circulation proposed Caltrans Connector Route to Old Hwy 53 Vacant Parcel
10	040-092-080	14295 Lakeshore Dr.	III-Legal Non- Conforming Boarded and Vacant Residential Buildings/ Expansion of Adjacent Public Park, Additional Public Access to Lake and Visitor Center

B. Disposition (Sale) of Real Property

The Plan proposes that the properties listed below be positioned for disposition by the Clearlake Successor Agency and Oversight Board. The proposed disposition plan objective is to sell the subject property for private development consistent with the

existing City of Clearlake General Plan and zoning ordinance land use designations. This represents the initial phase of the disposition plan for the overall inventory of former Agency-owned real property assets. The sale proceeds net of sales costs from the disposition of these properties will be sent to the Lake County Auditor-Controller for distribution to the taxing entities.

Table 3 – Properties Proposed for Disposition			
Property No.	APN	Address	Existing Use
11	039-623-190	3496 Peony St	Vacant Parcel (Lots 2,3,4, Half of 21)
12	039-625-010	13940 Sonoma Ave	Vacant Parcel (Lots 1,23)
13	039-625-030	3741 Boxwood	Vacant Parcel (Lot 4)
14	039-625-060	3141 Mint St.	Vacant Parcel (Lots 7, half of 6, 16,17,18)
15	039-626-010	13980 Sonoma Ave	Vacant Parcel (Lots 1,23)
16	039-626-070	3423 Acacia	Vacant Parcel (Lot 6)
17	039-626-110	3453 Acacia	Vacant Parcel (Lot 9)
18	039-626-120	3463 Acacia	Vacant Parcel (Lot 5)
19	039-626-160	3444/3494 Boxwood St.	Vacant Parcel (Lots 8 and 14-20)
20	039-626-170	3494 Boxwood St.	Vacant Parcel (Lot 21)
21	041-141-150	15796 36th St.	Vacant Parcel (Lot 2)
22	041-141-400	15846 36th St.	Vacant Parcel (Lot 6-9)
23	041-141-420	15786 36th St.	Vacant Parcel (Lot 3)
24	041-141-490	15806 36th St.	Vacant Parcel (Lot 1)
25	041-142-350	15847-15857 36th St.	Vacant Parcel (Lots 13-23)
26	010-048-080	2890 Old Highway 53	Vacant Parcel (28.9 acres)

C. Retention of Real Property for Future Disposition and Private Development

The Plan proposes that the property listed below in Table 4 be positioned for future disposition by the Clearlake Successor Agency and Oversight Board. The proposed

disposition plan objective is to retain the property for future disposition (sale) for private development and is consistent with the existing City of Clearlake General Plan from 1980, as well as the updated version anticipated for public review in October 2013 and approval in Summer 2014. This plan proposes that the property be retained as a future or secondary phase of the disposition plan of the remaining inventory of the former Agency-owned real property assets. This site originally represented and continues to represent a prime anchor location and is intended to be marketed as catalyst development such as destination resort to anchor Lakeshore Drive and further the areas economic development.

Table 4 – Properties Proposed for Disposition			
Property No.	APN	Address	Existing Use / Proposed Use
27	039-530-500	14061 Lakeshore Drive	Dilapidated Commercial Bldg. on 4.5 acres / Economic Development Catalyst Site

III. REAL PROPERTY ASSETS

A. Former Agency-Owned Real Property Assets

Health & Safety Code sections 34177(e) and 34181(a) require that the Successor Agency designate each of the former Agency-owned real property assets by one of the following categories:

1. Retention for government use
2. Sale of the property
3. Retention for future use
4. Use of Property to fulfill an enforceable obligation.

Included as Attachment A is a property data table describing the real property assets of the Successor Agency. For each of these subject properties the table includes, but is not limited to the following information:

1. Date of purchase, value of property (estimated) at time of purchase;
2. Purpose of the property acquisition;
3. Parcel data including address, size, zoning, General Plan designation;
4. Estimate of the current value or appraised value;
5. Estimate of revenue generated from use of property and contractual requirements (e.g. lease, etc.);
6. Any history of environmental contamination and / or remediation;
7. Development potential / planning objectives; and
8. Any previous development proposals, rental or lease agreements, other contracts

As part of the dissolution of the Former Agency, Health and Safety Code Section 34167.5 requires the State Controller to review the activities for the Former Agency to determine if assets were transferred between the Former Agency and the City after January 1, 2011. The State Controller may order the reversal of any and all ineligible transfers of assets, including real and personal property, cash, accounts, receivable, deeds of trusts and mortgages, contract rights and any rights of payment of any kind. One of the permissible reasons that an asset transfer may have been made, and would not be subject to reversal is if the property was constructed and used for a governmental purpose (H&S Section 34177(e)(3), Section 34181(a).

1. Governmental Purpose Properties

On May 17, 2012, the Oversight Board adopted Resolution OB. 2012-01 approving the transfer of 10 parcels of land that were and are currently used for governmental purposes. The Clearlake Successor Agency and Oversight Board determined that these properties: 1) were purchased, and used for a governmental purpose; 2) had a nominal

market value; and 3) were not suitable for disposition (sale) to a third party for private development given their public use.

Table 5 – List of Assets and Properties Initially Transferred to City of Clearlake				
Property No.	APN	Date of Purchase	Source of Funding	Existing Use
1	039-530-210	11/16/94		City Hall - Police Station
2	042-052-190	01/21/00		Drainage Improvements for Surrounding Area
3	010-043-360	07/10/95		City Corporation Yard - Fire Station Storage
4	010-043-380	02/23/99		City Corporation Yard - Fire Station Storage
5	010-043-390	01/21/00		City Corporation Yard - Fire Station Storage
6	042-121-250	01/21/00		City Corporation Yard - Fire Station Storage
7	042-122-260	01/21/00		City Corporation Yard - Fire Station Storage
8	042-123-110	09/16/98		Vacant Parcel
9	042-123-310	01/21/00		Vacant Parcel
10	040-092-080	08/03/11		Two Boarded and Vacant Structures

All of the real property assets listed in Table 5 above were acquired by the Agency for, and continually dedicated to public use.

- **Property No. 1** approximately 1.47 acres of property acquired for the purposes of City Hall/Police Department facilities.
- **Property No. 2** is located next to the Corporation Yard properties and has drainage improvements for the surrounding areas. It is currently used for public drainage.
- **Property No's 3 through 7** are located adjacent to State Highway 53 make up the City Corporation Yard with several facilities on that properties used for storage of supplies and maintenance equipment. Lakeshore Fire Protection District leases a facility for storage of reserve fire vehicles and equipment.

- **Property No's 8 and 9** are located adjacent to the Corporation Yard properties are currently used for additional storage for the City and will also be needed for future road improvements that will connect Highway 53 and Old Highway 53 as part of the overall improvements planned by Caltrans for Highway 53.

Property No. 10 is lakefront property acquired to provide expanded public access to Clearlake and provide a visitor center in an existing structure to further assist in promoting economic development in the area. The property will allow for the expansion of the existing public park (Highlands Park) and for the rehabilitation of the non-conforming single-family residence. The proposed expansion and renovation has been in the design phase for several years. As such, the proposed project has secured financing and a subcontractor to maintain and operate the Visitor Information Center. The City through its agreement with the County December 18, 2012, provides that the County will finance renovations of the facility and the City shall operate a Visitor Information Center that will promote tourism and commerce throughout Lake County about countywide attractions and resources and the City will subcontract with the Clearlake Chamber of Commerce to operate the visitor center. The Clearlake Chamber of Commerce will rent the facility from the City and utilize the building and the premises as their principle place of business and operate the Visitor Information Center according to terms outlined in the agreement dated September 13, 2012 with the City. The project is viewed as a cornerstone of the revitalization of the Lakeshore Drive corridor, a project that is anticipated to lead to other properties in the vicinity being upgraded and/or developed. It should also be noted that this project complies with all three of the State adopted AB 857 three state planning priorities, which are Community Revitalization Planning, Natural Resource Planning and Efficient Development Planning (See Attachment G)

On March 15, 2013, the DOF issued an Other Funds and Accounts ("OFA") Due Diligence Review ("DDR") determination letter advising that only Property No. 1 – City Hall below in Table 1A below met the definition of governmental use as defined in the HSC 34181 (a). After the subsequent Meet and Confer session on March 28, 2013 the

DOF revised, the original findings in the OFA-DDR letter dated April 8, based on additional information provided by the City, and subsequently approved Property No's 2 through 7 as governmental use property and these properties were properly transferred to the City. In this same letter the DOF supported their opinion that Property No's 8, 9, and 10 do not meet the criteria outlined in HSC Section 34181 (a) and should not be transferred to the City of Clearlake. However, the Successor Agency with the Oversight Board approval did not concur with the determination and contend that DOF is narrowly interpreting the HSC section (a) to only allow for property that is being actively used by the public at the time of the transfer. Progress on Property 10 was delayed as a direct result of the dissolution of Redevelopment and subsequent inability to advance the project.

2. Non-Governmental Use Properties

On May 17, 2012, the Oversight Board and the Clearlake Successor Agency and Clearlake Oversight Board determined that the remaining 17 properties listed below in Table 6 were suitable for future disposition for private development.

Table 6 – List of Assets and Properties Proposed for Disposition				
Property No.	APN	Date of Purchase	Source of Funding	Existing Use
11	039-623-190	07/01/08		Vacant Parcel (Lots 2,3,4, 21 and 2)
12	039-625-010	07/01/08		Vacant Parcel (Lots 1,23)
13	039-625-030	07/01/08		Vacant Parcel (Lot 4)
14	039-625-060	07/01/08		Vacant Parcel (Lots 7, half of 6, 16,17,18)
15	039-626-010	07/01/08		Vacant Parcel (Lots 1,23)
16	039-626-070	07/01/08		Vacant Parcel (Lot 6)
17	039-626-110	07/10/08		Vacant Parcel (Lot 9)
18	039-626-120	07/10/08		Vacant Parcel (Lot 5)

Table 6 – List of Assets and Properties Proposed for Disposition				
Property No.	APN	Date of Purchase	Source of Funding	Existing Use
19	039-626-160	07/10/08		Vacant Parcel (Lots 8 and 14-20)
20	039-626-170	07/10/08		Vacant Parcel (Lot 21)
21	041-141-150	07/10/08		Vacant Parcel (Lot 2)
22	041-141-400	07/10/08		Vacant Parcel (Lot 6-9)
23	041-141-420	07/10/08		Vacant Parcel (Lot 3)
24	041-141-490	07/10/08		Vacant Parcel (Lot 1)
25	041-142-350	07/10/08		Vacant Parcel (Lots 13-23)
26	010-048-080	03/22/99		Vacant Parcel (28.9 acres)
27	039-530-500	07/10/97		Dilapidated Commercial Bldg. on 4.5 acres

3. Remaining Real Property Assets

Based on the determinations of the Clearlake Successor Agency and Oversight Board, and the DOF's OFA-DDR determination letter there are twenty (20) properties addressed in this section of the Plan. The 20 properties include three properties (Property No's 8, 9 and 10) that were determined by DOF to be non-governmental use properties and the Clearlake Successor Agency and Oversight Board proposes that these properties be transferred to the City and be retained for government use. The remaining 17 properties (Property No's 11 through 27) were determined to be potentially suitable for future disposition.

Property No's 11 through 24:

These properties are residential in nature with 42 of the 44 residential parcels sold by the City to the Agency under a loan agreement. These properties are primarily located in two subdivisions referred to as Clearlake Woodlands (Property No's 11 through 20) and Clearlake Highland Tract 3 (Property No's 21-25). While the lots appear to be

subdivided and of appropriate size for development on the parcel maps, the parcels are mostly unimproved and the layout of the lots are often in disregard of the topography and other physical conditions. The streets are unpaved and on hilly terrain, generally lacking adequate infrastructure. (See Attachment C and D for pictures of the subject sites.)

Clearlake Woodlands

Property No.	APN	Total Lots	Total S.F. (1)
11	039-623-190	4.5	22,500
12	039-625-010	2	10,000
13	039-625-030	1	5,000
14	039-625-060	4.5	22,500
15	039-626-010	2	10,000
16	039-626-070	1	5,000
17	039-626-110	1	5,000
18	039-626-120	1	5,000
19	039-626-160	8	40,000
20	039-626-170	1	5,000
Total		26	130,000

Clearlake Highlands Tract 3

Property No.	APN	Total Lots	Total S.F. (1)
21	041-141-150	1	5,000
22	041-141-400	4	20,000
23	041-141-420	1	5,000
24	041-141-490	1	5,000
25	041-142-350	11	55,000
Total		18	90,000

(1) Assumes average lot size of 50x100 or 5,000 S.F.

Property No. 26

This property is an approximately 29 acre parcel located at 2890 Old Highway 53 (see Attachment E). The property is currently unimproved property adjacent to a residential neighborhood and is currently zoned rural residential, housing standards, scenic corridor. The property was acquired for future development for the purposes of agricultural or commercial development, **which** is allowed under current zoning

Address	2890 Old Highway 53
Assessor's Parcel	010-48-080
Parcel Size	28.9 acres
Date of Original Purchase	3/22/1999
Purpose of Acquisition	Future Development
Existing Use	Vacant Land

Property No. 27

This property is currently a 4.7 acre parcel located on 14061 Lakeshore Drive (see Attachment F). The property currently contains a 10,000 square foot dilapidated commercial building. The parcel was originally part of a 9 acre parcel that was subdivided when the City received a grant to purchase approximately 4 acres to expand Austin Beach and Park. The Former Agency had intended to market the site as catalyst development such as a destination resort to anchor Lakeshore Drive. Any future project will be consistent with the updated City of Clearlake General Plan and Specific Plan for the property.

Address	14061 Lakeshore Drive
Assessor's Parcel	039-530-500
Parcel Size	4.5 acres
Date of Original Purchase	7/1/1997
Purpose of Acquisition	Future Development
Existing Use	Dilapidated Vacant Commercial

IV. RETENTION AND DISPOSITION STRATEGY AND PLAN

A. Categories of Property and Asset Disposition

1. Retention of Real Property Asset for Government (Public) Use

The Plan proposes that the properties listed below be retained by the City of Clearlake because such properties were originally acquired by the Former Agency, and have been

continually dedicated for public use. The proposed disposition plan objective is to transfer the real property assets to the City for continued dedicated public use.

- *Properties No. 8 through No. 10- APN 042-123-110, 310, and 040-092-080 (6439/6459 Vallejo Ave, 14295 Lakeshore Drive)*

Properties 8 and 9 combined are approximately 0.34 acres (15,000 square foot) in size, and are currently used as additional storage sites for the City Corporation Yard and the properties are planned to be used as part of Caltrans connector route from Highway 53 to Old Highway 53. Caltrans will not need to acquire these sites when their project starts. These properties are in the commercial zone district in the existing Clearlake General Plan as well as the draft updated draft General Plan.

As previously discussed in this plan Property 10 is approximately 1.2 acres (52,500 square feet) and was purchased by the Former Agency as part a City-County project to expand the public park (Highlands Park), provide improved access to the lake and include a visitor center. The existing structure on the parcel was a foreclosed, non-conforming vacant single family residence that cannot legally be used as a single family residence. If the property is marketed for sale, the structure will have to be demolished prior to sale. However, the County allocated \$100,000 in May 2011 to renovate the single family residence into a visitor center and has subsequently approved a financing agreement with the City to renovate the site. The proposed disposition plan objective is to transfer the ownership of these properties to the City of Clearlake for continued public use as a park and Visitor Center.

2. Disposition (Sale) of Real Property

The Plan proposes that the properties listed below be positioned for disposition by the Successor Agency and Oversight Board. The proposed disposition plan objective is to sell the subject property for private development consistent with the existing City of Clearlake General Plan and zoning ordinance land use designations as an initial phase of

the disposition plan for the overall inventory of former Agency-owned real property assets.

- *Property No. 11-25 (Refer to Table 3 above for APN's and address)*

These properties, as previously described, represent single family residential lots in the Clearlake Woodlands and Clearlake Highland subdivisions and make up 44 single family residential lots and combined are approximately 6.7 acres (290,400 square feet). The properties are currently designated as residential in the City's Zoning Ordinance.

- *Property No. 26 – APN 010-48-080 (2890 Old Highway 53)*

This property is 28.9 acres (125,884 square foot) parcel that is currently vacant. The property is designated This property is currently zoned RR-HS-SC (rural residential, housing standards, scenic corridor).

3. Retention of Real Property for Future Disposition and Private Development

The Plan proposes that the property listed below be positioned for future disposition by the Successor Agency and Oversight Board. The LRPMP proposed disposition plan objective is to retain the property for future disposition (sale) for private development consistent with the existing City of Clearlake General Plan and zoning ordinance land use designation as a future phase of the disposition plan for the overall inventory of former Agency-owned real property assets.

- *Property No. 27 – APN 039-530-500 (14061 Lakeshore Drive)*

This property is approximately 4.50 acres (196,020 square foot) that currently has a vacant 10,000 square foot dilapidated commercial building. The property is designated

Commercial use in the City of Clearlake General Plan, and Community Commercial use in the City's Zoning Ordinance.

The basic reason for the proposed retention for future disposition (sale) is that the property is in a key area of the City that is positioned for future commercial and mixed use development once the real estate market conditions improve to create additional demand for tourist related business. This site can serve as an anchor to activate Lakeshore Drive economic development. Therefore timing the disposition of the subject property until that point in time (improved / increased commercial development / use demand) would increase the potential to increase the future disposition value of the subject property instead of disposing (selling) the subject property prematurely.

B. Estimated Value and Disposition of Proceeds for Identified Real Property Assets

1. Estimated Value of Identified Remaining Real Property Assets

Table 6 below presents an estimated range of potential market value of the subject remaining real property assets based on a preliminary review of real estate market conditions for the City. The estimated range of value (low, mid and high) is based on preliminary information obtained from discussions with certain commercial real estate brokers with a working knowledge of the Clearlake and Lake County real estate market as well as an appraisal performed on one of the land parcels dated January 2013. The information presented below is only intended to provide an "order-of-magnitude" estimate of potential values and is not intended to present appraised market value or broker's opinion of market value.

Table 6 – Estimated Market Value of Remaining Real Property Assets					
Property No	Address	APN No.	Property Size SF / Acre	Estimated Range of Value	
Proposed Government (Public) Purpose Property				\$.14/S.F.	\$4,000/Lot
8	6439 Vallejo Avenue	042-123-110	5,000 / .11	\$700	\$4,000
9	6459 Vallejo Avenue	042-123-310	10,000 / .22	\$1,400	\$8,000
10	14295 Lakeshore Dr.	040-092-080	52,500 / 1.22	\$52,500 ⁽¹⁾	\$69,300 ⁽¹⁾
Sub Total			67,500 / 1.55	\$54,600	\$81,300
Proposed Property for Disposition					
11-20	Clearlake Woodlands (26 Lots)	Refer to Table 3	130,000 / 2.98	\$18,200	\$104,000
21-25	Clearlake Highlands (18 Lots)	Refer to Table 3	90,000 / 2.10	\$12,600	\$72,000
26	2890 Old Highway 53	010-048-080	1,258,884 / 28.9	\$176,244	\$1,007,107
27	14061 Lakeshore Drive	039-530-500	204,732 / 4.7	\$204,723 ⁽¹⁾	\$270,246 ⁽¹⁾
Sub Total			1,683,616 / 38.60	\$411,767	\$1,453,353
TOTAL			1,751,116 / 40.20	\$466,367	\$1,534,653

⁽¹⁾ Lakefront property estimated at \$1.00 per square foot to \$1.32 per square foot.

2. Distribution of Proceeds from Real Property Asset Disposition

a. Real Property Assets Retained for Government Use

- *Property No's 8 through 9 – APN 042-123-110, 310; 040-092-080)*

The proposed disposition plan objective is to transfer the ownership of these properties to the City for continued dedicated public use. The Vallejo Ave sites will continue to be used as overflow storage for the Corporation Yard until the Caltrans project commences at which time these properties may be used to facilitate the road improvements to connect Old Highway 53 to Highway 53. Should these properties not be necessary in the future the properties will be sold and proceeds, net of sales costs, would be distributed to the County Auditor-Controller for allocation to the applicable taxing entities in accordance with the provisions of AB 26 and 1484. At this time, since the proposed disposition plan objective is to transfer ownership of this

property to the City for continued dedicated public use (public parking) there would be no proceeds from disposition of the real property asset.

- *Property No. 10 – APN 040-092-080 (14295 Lakeshore Drive)*

The proposed disposition plan objective is to transfer the ownership of this property to the City of Clearlake for continued use as a community visitor center under the existing lease agreement between the City and the Chamber of Commerce. Since the proposed disposition, plan objective is to transfer ownership of this property to the City for continued public use (visitor center) there would not be any proceeds from disposition of the real property asset. The proceeds (\$1.00 / year) from the lease of this real property asset will continue to be paid to the City.

b. Real Property Assets Planned for Disposition (Sale)

The sale proceeds (net of all costs) generated from the disposition (sale of Property No. 11-26) will be distributed to the County Auditor-Controller for allocation to the applicable taxing entities in accordance with the provisions of AB 1484 once the real property asset is disposed of by approval of the Successor Agency and review of the Oversight Board and the Successor Agency receives the proceeds (net of all costs) from the subject disposition (sale).

c. Real Property Assets Retained for Future Disposition and Private Development

The proceeds generated from the planned future disposition (sale) of Property No. 27 (14061 Lakeshore Drive) would be distributed to the County Auditor-Controller for allocation to the applicable taxing entities in accordance with the provisions of AB 1484 once the real property asset is disposed of by approval of the Successor Agency and review of the Oversight Board and the Successor Agency receives the proceeds (net of all costs) from the subject disposition (sale).

C. Approach and Process for Disposition of Real Property Assets

The real property assets shown on Table 3 above are planned to be offered for sale through a Request for Proposals and Offer (RFPO) process, which is described below. The proposed predevelopment activities outlined below are intended to better position the properties for successful acquisition / development and enhance the potential value (proceeds) generated from the sale of such properties.

1. Predevelopment Activities

There are a number of predevelopment activities that the Successor Agency may or may not decide to undertake in order to appropriately position the subject real property assets for disposition and private development. These potential activities could include:

- Preparing preliminary title reports to determine existing title conditions in relation to potential development of the properties;
- Commissioning appraisal reports or broker price opinion to determine at potential market value of the properties;
- Preparing an initial environmental site assessment to determine if there are any potential environmental conditions in relation to the potential development of the properties; and
- Developing information regarding the public infrastructure capacity (water, sewer, drainage, etc.).

The decision of the Successor Agency to undertake such activities would be dependent in part on the availability of funding and whether these related disposition costs would be allowed by the State Department of Finance as enforceable obligations under the ROPS.

2. Request for Proposals and Offers (RFPO) Proposal

The Successor Agency will prepare and implement a Request for Proposals and Offer (RFPO) process for selection of a private development team(s) to acquire and develop properties grouped as follows:

- Properties No's 11 through, 20 - Clearlake Woodlands Subdivision - 26 Lots
- Property No's 21 through 25 - Clearlake Highlands - 18 Lots
- Property No 26 – 2890 Old Highway 53 - 28.9 acres

All properties will be constructed consistent with City General Plan and related zoning ordinance designations. The intent of the RFPO process would be to select the most qualified business and development partner(s) for the Successor Agency related to disposition and development of the subject properties and respective business offers that provide the highest and most certain economic value and return from the disposition of the subject properties. The RFPO process would allow the prospective respondents to the RFPO to submit a master proposal for all of the properties or offer for individual parcels.

Subsequent to selection of a private developer(s) the Agency should work mutually with the selected private developer(s) to negotiate the terms and conditions for disposition of the subject properties. These provisions should be negotiated during an exclusive negotiation period, and would be embodied in a purchase and sale agreement between the Successor Agency and selected private developer(s) with the review and approval of the Oversight Board.

The same process would be used for the future disposition of Property No 27 – 14061 Lakeshore Drive –once the Successor Agency, with the review and approval of the Oversight Board, determines that the real estate market conditions are such that issuance of a RFPO for Property No. 27 would result in a highest and certain return (see Section III.B.3. above).

3. Marketing and Outreach

The goal of a proposed marketing effort is to attract high-quality development on the subject remaining real property assets consistent with the adopted City of Clearlake General Plan and City Zoning Ordinance. Written marketing information for the preliminary outreach effort should include a basic brochure that describes the characteristics of the site(s) and City of Clearlake, general land use provisions, and any related information resulting from the predevelopment activities described above.

The primary focus of the Successor Agency's marketing efforts should be local and regional real estate development companies that have qualifications, experience and successful track records in development and operation of high-quality commercial and / or residential development. A preliminary outreach effort related to marketing of these sites should include: 1) meeting with various real estate trade and business organizations; 2) distributing the subject Request for Proposals and Offers (RFPO) to identified real estate development; companies, architects, engineers, other consultants; 2) posting the subject Request for Proposals and Offers (RFPO) information on the City web page; and 3) placing advertisements related to the subject Request for Proposal and Offers (RFPO) in the appropriate local and / or regional newspapers.

4. Phasing, Sequencing and Schedule

The proposed disposition of Agency-owned real property assets planned for disposition (sale) would be implemented in two phases.

The first phase would include Property No's 11 through No. 20, Property No's 21 through 25, and Property 26 being offered for sale for development through the Request for Proposals and Offers (RFPO) process. The individual RFPO's would be released once the predevelopment activities are complete (if the Successor Agency, with review and approval of the Oversight Board, determines such predevelopment activities are

necessary) with the resulting information included in the RFPO document. A proposed schedule for implementing the proposed RFPO process is included as Attachment B.

A second (later) phase would include Property No. 27 being offered for sale for development through the RFPO process. This action would occur once the Successor Agency, with review and approval of the Oversight Board, has determined that the commercial real estate market conditions within the City of Clearlake have improved enough to expect an increased disposition (sale) value of the subject property. While exact timing of the development is unknown at this time, this Plan anticipates the RFPO will occur within five years of the date of this Plan.

Attachment A:
Clearlake Long Range Property Management Plan
Property Inventory Data

HSC 34191.5 (c)(1)(B)													
No.	APN	Existing Use	Address	Property Type	HSC 34191.5 (c)(2)			HSC 34191.5 (c)(1)(A)			SALE OF PROPERTY		Purpose for which property was acquired
					Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase Price	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	
Properties to be Retained for Government Use - Approved													
1	039-530-210	City Hall - Police Station	14050 Olympic Drive	Governmental Use	Governmental Use	Governmental Use	11/16/94	\$ 1,880,238	NA	NA	NA	NA	City Hall
2	042-052-190	Drainage improvements for Surrounding Area	6393 James St.	Governmental Use	Governmental Use	Governmental Use	01/21/00	\$ 84,000	NA	NA	NA	NA	Provide Drainage
3	010-043-360	City Corporation Yard - Fire Station	6828 Old Hwy 53	Governmental Use	Governmental Use	Governmental Use	07/10/95	\$ 375,000	NA	NA	NA	NA	City Corporation Yard - Fire Station
4	010-043-380	City Corporation Yard - Fire Station	6820 Old Hwy 53	Governmental Use	Governmental Use	Governmental Use	02/23/99	\$ 541,818	NA	NA	NA	NA	City Corporation Yard - Fire Station
5	010-043-390	City Corporation Yard - Fire Station	6820 Old Hwy 53	Governmental Use	Governmental Use	Governmental Use	01/21/00	(incl. with No.4)	NA	NA	NA	NA	City Corporation Yard - Fire Station
6	042-121-250	City Corporation Yard - Fire Station	6356 Armijo	Governmental Use	Governmental Use	Governmental Use	01/21/00	\$ 120,000	NA	NA	NA	NA	City Corporation Yard - Fire Station
7	042-122-260	City Corporation Yard - Fire Station	6377 Armijo	Governmental Use	Governmental Use	Governmental Use	01/21/00	\$ 55,000	NA	NA	NA	NA	City Corporation Yard - Fire Station
Properties to be Retained for Government Use - Proposed													
8	042-123-110	Vacant Parcel	6439 Vallejo Avenue	Vacant Land	Governmental Use	Caltrans Connector Route Hwy 53 to Old Hwy 53	09/16/98	\$ 10,472	\$ 700	See PMP	See PMP	NA	City Corporation Yard and Caltrans Connector Route Hwy 53 to Old Hwy 53
9	042-123-310	Vacant Parcel	6459 Vallejo Avenue	Vacant Land	Governmental Use	Caltrans Connector Route Hwy 53 to Old Hwy 53	01/21/00	\$ 10,000	\$ 1,400	See PMP	See PMP	NA	City Corporation Yard and Caltrans Connector Route Hwy 53 to Old Hwy 53
10	040-092-080	Vacant Parcel	14295 Lakeshore Dr.	Community Commercial	Governmental Use	Public Access to Lake and Visitor Center	08/03/11	\$ 208,418	\$ 52,500	See PMP	See PMP	NA	Public Access to Lake and Visitor Center
Properties Proposed for Disposition													
11	039-623-190	Vacant Parcel (Lots 2,3,4, Half of 21 and half of lot 2 in block 9)	3486 Peony St	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 112,950	\$ 3,150	See PMP	See PMP	TBD	Future Development
12	039-625-010	Vacant Parcel (Lots 1,2,3)	13940 Sonoma Ave	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 50,200	\$ 1,400	See PMP	See PMP	TBD	Future Development
13	039-625-030	Vacant Parcel (Lot 4)	3741 Boxwood	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
14	039-625-060	Vacant Parcel (Lots 7, half of 6, 16, 17, 18)	3141 Mint St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 138,050	\$ 3,150	See PMP	See PMP	TBD	Future Development
15	039-626-010	Vacant Parcel (Lots 1,2,3)	13980 Sonoma Ave	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 50,200	\$ 1,400	See PMP	See PMP	TBD	Future Development
16	039-626-070	Vacant Parcel (Lot 6)	3423 Acacia	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
17	039-626-110	Vacant Parcel (Lot 9)	3453 Acacia	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
18	039-626-120	Vacant Parcel (Lot 5)	3463 Acacia	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/01/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
19	039-626-160	Vacant Parcel (Lots 8 and 14-20)	3444/3494 Boxwood St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/10/08	\$ 200,800	\$ 5,600	See PMP	See PMP	TBD	Future Development
20	039-626-170	Vacant Parcel (Lot 21)	3494 Boxwood St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/10/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
21	041-141-150	Vacant Parcel (Lot 2)	15796 36th St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/10/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
22	041-141-400	Vacant Parcel (Lot 6-9)	15846 36th St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/10/08	\$ 25,100	\$ 2,800	See PMP	See PMP	TBD	Future Development
23	041-141-420	Vacant Parcel (Lot 3)	15786 36th St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/10/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
24	041-141-480	Vacant Parcel (Lot 1)	15806 36th St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/10/08	\$ 25,100	\$ 700	See PMP	See PMP	TBD	Future Development
25	041-142-350	Vacant Parcel (Lot 13-23)	15847-15857 36th St.	Vacant Lot/Land	Sale of Property	Single Family Dwelling	07/10/08	\$ 276,100	\$ 7,700	See PMP	See PMP	TBD	Future Development
26	010-046-080	Vacant Parcel	2890 Old Highway 53	Vacant Lot/Land	Sale of Property	Rural Residential /Scenic Corridor	03/22/99	\$ 127,355	\$ 176,244	See PMP	See PMP	TBD	Agricultural /Commercial Development
27	039-530-500	Displaced Vacant Commercial Bldg.	14061 Lakeshore Drive	Mixed-Use	Sale of Property	Mixed Use	07/01/97	\$ 1,032,000	\$ 204,732	See PMP	See PMP	TBD	Future Development and Public Access to Lake.

HSC 34191.5 (c)(1)(C)													HSC 34191.5 (c)(1)(D)	HSC 34191.5 (c)(1)(E)	HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)	HSC 34191.5 (c)(1)(H)
No.	APN	Address	APN #	Lot Size (SF)	Current Zoning	Estimate of Current Parcel Value	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity					
Properties to be Retained for:																	
1	039-530-210	14050 Olympic Drive	039-530-210	95,470	Government Use	NA	NA	NA	NA	NA	NA	NA					
2	042-052-190	6393 James St.	042-052-190	70,000	Government Use	NA	NA	NA	NA	NA	NA	NA					
3	010-043-360	6828 Old Hwy 53	010-043-360	1,219,680	Government Use	NA	NA	NA	NA	NA	NA	NA					
4	010-043-380	6820 Old Hwy 53	010-043-380	(incl. with No.3)	Government Use	NA	NA	NA	NA	NA	NA	NA					
5	010-043-390	6821 Old Hwy 53	010-043-390	(incl. with No.3)	Government Use	NA	NA	NA	NA	NA	NA	NA					
6	042-121-250	6356 Armijo	042-121-250	140,000	Government Use	NA	NA	NA	NA	NA	NA	NA					
7	042-122-260	6377 Armijo	042-122-260	70,000	Government Use	NA	NA	NA	NA	NA	NA	NA					
Properties to be Retained for:																	
8	042-123-110	6439 Vallejo Avenue	042-123-110	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
9	042-123-310	6459 Vallejo Avenue	042-123-310	10,000	Residential	\$ 1,400	NA	NA	Not Available	Not Available	See PMP	NA					
10	040-092-080	14295 Lakeshore Dr.	040-092-080	52,500	Community Commercial	\$ 52,500	\$1.00 / year	NA	Not Available	Not Available	See PMP	NA					
Properties Proposed for Disposition:																	
11	039-623-190	3496 Peony St	039-623-190	22,500	Residential	\$ 3,150	NA	NA	Not Available	Not Available	See PMP	NA					
12	039-625-010	13940 Sonoma Ave	039-625-010	10,000	Residential	\$ 1,400	NA	NA	Not Available	Not Available	See PMP	NA					
13	039-625-030	3741 Boxwood	039-625-030	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
14	039-625-060	3141 Mint St	039-625-060	22,500	Residential	\$ 3,150	NA	NA	Not Available	Not Available	See PMP	NA					
15	039-626-010	13980 Sonoma Ave	039-626-010	10,000	Residential	\$ 1,400	NA	NA	Not Available	Not Available	See PMP	NA					
16	039-626-070	3423 Acacia	039-626-070	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
17	039-626-110	3453 Acacia	039-626-110	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
18	039-626-120	3463 Acacia	039-626-120	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
19	039-626-160	3444/3494 Boxwood St.	039-626-160	40,000	Residential	\$ 5,600	NA	NA	Not Available	Not Available	See PMP	NA					
20	039-626-170	3494 Boxwood St.	039-626-170	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
21	041-141-150	15796 36th St.	041-141-150	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
22	041-141-400	15846 36th St.	041-141-400	20,000	Residential	\$ 2,800	NA	NA	Not Available	Not Available	See PMP	NA					
23	041-141-420	15786 36th St.	041-141-420	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
24	041-141-490	15806 36th St.	041-141-490	5,000	Residential	\$ 700	NA	NA	Not Available	Not Available	See PMP	NA					
25	041-142-350	15847-15957 36th St.	041-142-35	55,000	Residential	\$ 7,700	NA	NA	Not Available	Not Available	See PMP	NA					
26	010-046-080	2890 Old Highway 53	010-46-080	1,258,884	Rural Residential /Scenic Corridor	\$ 176,244	NA	NA	Not Available	Not Available	See PMP	NA					
27	039-530-500	14061 Lakeshore Drive	39-530-500	204,732	Mixed Use	\$ 204,732	NA	NA	Not Available	Not Available	See PMP	NA					

Attachment B:
City of Clearlake
Request for Proposals and Offers
Process / Schedule

Activity	Estimated Timeline	Estimated Cumulative Timeline
Predevelopment Activities	90 days	3.0 months
Request for Proposals / Offers Issued	30 days	2.0 months
Pre-Offer Submittal Meeting(s)	NA	NA
Proposals / Offers Due	30 days	5.0 months
Evaluation of Proposals / Offers Submitted; Recommendation for Disposition	30 days	6.0 months
Oversight Board Meeting: Consideration Of Recommendation for Disposition	15 days	6.5 months
Negotiation of Purchase / Sale Agreements	45 days	8.0 months

610

T.R.A.
2-091
2-092

38
300

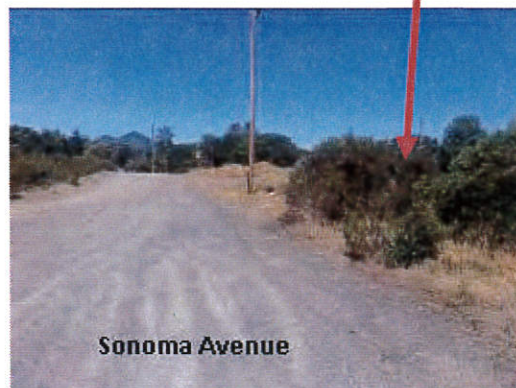


10
PAGE
005

**ASSESSOR'S CADASTRAL MAP
LAKE COUNTY, CALIFORNIA**

REVISED
JANUARY 1991
BY: [illegible]

1. THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSES ONLY.
2. NO LIABILITY IS ASSUMED FOR
ACCURACY OF THE DATA SHOWN.
3. ASSESSOR'S PARCELS MAY NOT
COMPLY WITH LOCAL LOT-SPLIT
OR BUILDING SITE ORDINANCES.



Attachment D
City of Clearlake
Property No's 21-25

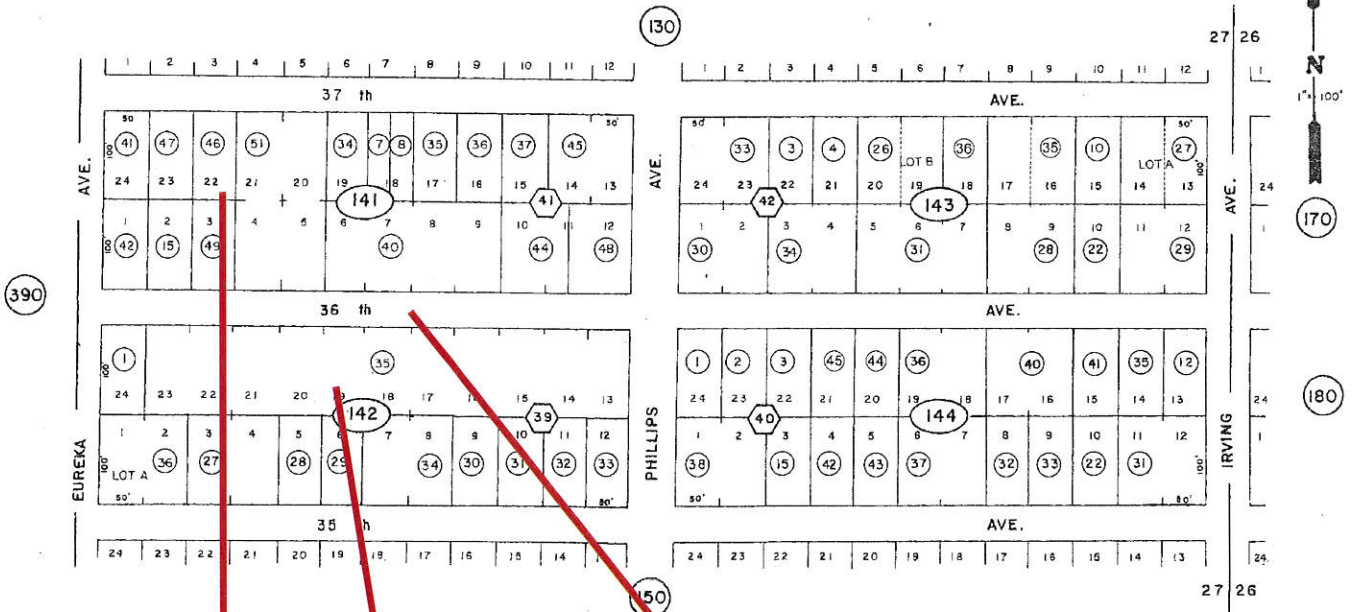
CLEAR LAKE HIGHLANDS TRACT 3

T.R.A.
2-035

41-140

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSES ONLY.
NO LIABILITY IS ASSUMED FOR
THE ACCURACY OF THE DATA
DELINEATED HEREON.

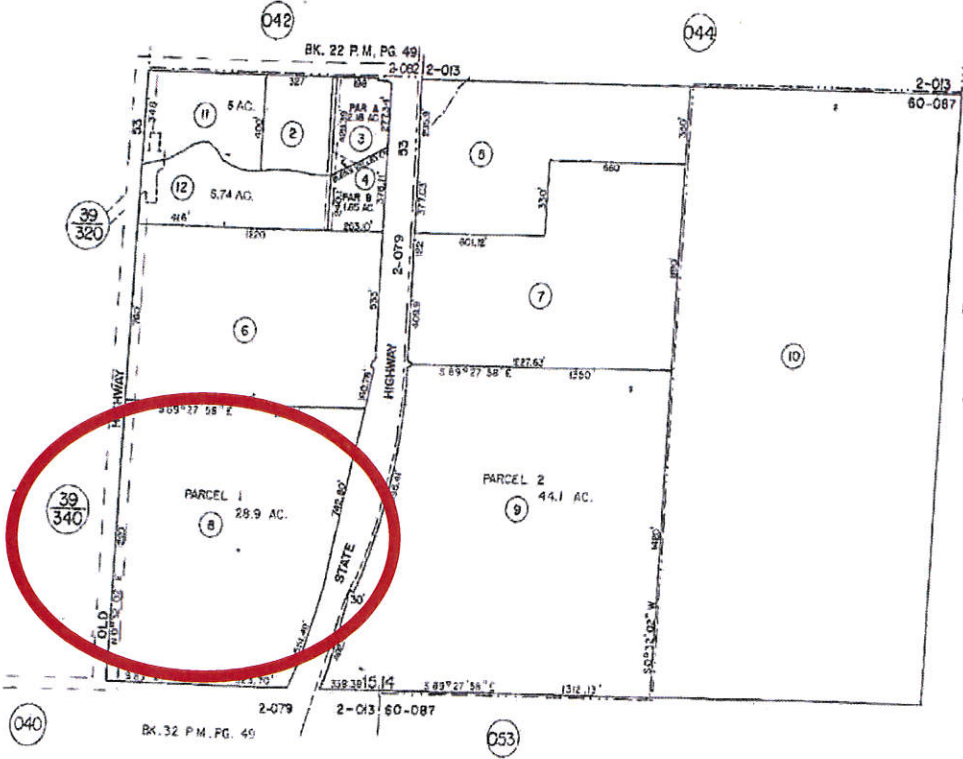
Assessor, Lake County



Attachment E
City of Clearlake
Property 26

SW ¼ of SECTION 14
and E ½ of SE ¼ of SECTION 15, T. 13 N., R. 7 W.

T. R. A.
2-013
60-087
2-079
10-048



Views of 2890 Old Highway 53
APN 010-0478-080



APN #039-530-500

ATTACHMENT G

CLARIFYING THE STATE PLANNING PRIORITIES

AB 857 (Chapter 1016, Statutes of 2002) established three state planning priorities. Any Environmental Goals and Policy Report (EGPR) prepared after January 1, 2004, must be consistent with the priorities. Additionally, after January 1, 2005, all state entities' functional plans must be consistent with the priorities, and state entities must demonstrate this consistency through annual reports to the Governor's Office of Planning and Research (OPR). Also after January 1, 2005, any state agency requesting infrastructure to be included in the state's annual five-year infrastructure plan, prepared by the Department of Finance in conjunction with the Governor's Budget, must demonstrate how that infrastructure is consistent with the three planning priorities.

As stated in the legislation, the intent of the three priorities is to "to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities." This intent language is consistent with the principles of sustainable development. The three planning priorities suggest specific ways in which State government can prioritize activities related to infrastructure spending and land use to promote more sustainable development in California. They have equal weight and are meant to work in unison. Their order of listing in statute is not an indication of ranking of importance.

The following is a discussion of the three planning priorities as OPR interprets them.

Community Revitalization Planning Priority

What the priority tells the State to do:

- Rehabilitate, maintain, and improve existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas
- Preserve cultural and historic resources

The goal of this priority: More infill development and greater equity in existing communities, regardless of type or location (i.e., urban, suburban, and rural).

OPR Discussion: Infill development is an important alternative to inefficient growth patterns. Building our communities inward rather than outward can have a number of benefits. However, infill is often impeded by aging infrastructure in developed areas that cannot support additional development. The State can help make infill possible by ensuring that existing infrastructure in developed areas is rehabilitated, maintained, and improved. This priority is about making sure that our existing communities (population centers) are kept vital through continued investment and that we make use of available land within existing communities to accommodate growth. (See definitions: Infill).

Natural Resources Planning Priority

What the priority tells the State to do: Protect, preserve, and enhance the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands; natural lands such as

wetlands, watersheds, wildlife habitats, and other wildlands; recreation lands such as parks, trails, greenbelts, and other open space; and landscapes with locally unique features and areas identified by the state as deserving special protection.

The goal of this priority: A healthy natural environment, productive working landscapes, including agricultural lands, and enough parks and open space to provide recreational opportunities for all Californians.

OPR Discussion: Undeveloped lands should not be viewed as a blank canvas for development but recognized for their intrinsic value as environmental and economic resources. This priority aims to discourage new urban development from using up open space and resource lands that are needed for other purposes (e.g., food production, recreation, ecosystem health, species protection) and that contain limited or sensitive resources that are at risk of irretrievable loss through urbanization. State policies and practices should discourage greenfield development or at least require consideration of alternative development options.

Efficient Development Planning Priority

What the priority tells the State to do: Ensure that any infrastructure funded in whole or in part by the State and associated with development that is not infill supports new development that uses land efficiently, is built adjacent to existing developed areas, is in an area appropriately planned for growth, is served by adequate transportation and other essential utilities and services, and minimizes ongoing costs to taxpayers

The goal of this priority: More efficient development patterns.

OPR Discussion: This priority acknowledges the reality that all new development in California cannot and will not occur inside existing communities and urban areas. To accommodate a growing population, many communities will have to grow outward. However, growing outward does not have to equal sprawl and/or leapfrog development. New development can be efficient, well planned, and adjacent to existing communities. It can be compact, use land and resources efficiently, and minimize conversion of natural resource lands, agricultural lands, and open space. The State can ensure that money for new infrastructure goes to support compact, efficient development rather than sprawl.

The three planning priorities are codified in Section 65041.1 of the Government Code. The verbatim text of the code section is as follows:

65041.1. The state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities, shall be as follows:

(a) To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.

(b) To protect environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.